

ETHICAL MARKETING: A SHIELD AGAINST CONSUMER MANIPULATION – AN EMPIRICAL INVESTIGATION

Ms. S. Bharani Lakshmi¹, Assistant Professor, Department of Commerce,
Shrimathi Devkunvar Nanalal Bhatt Vaishnav College for Women, Chrompet

Abinaya P² & Dhillshath Bee C³, III B. Com (General) SFS – D batch,
Department of Commerce, Shrimathi Devkunvar Nanalal Bhatt Vaishnav College for Women

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ABSTRACT

In today’s highly competitive marketplace, ethical marketing practices have become more critical than ever. Companies must carefully navigate the delicate balance between effective persuasion and consumer manipulation. As businesses strive to attract and retain customers, the need to incorporate ethical considerations into their marketing strategies has become increasingly evident. Ethical marketing involves promoting products and services in a manner that is truthful, transparent, and respectful of consumer rights. This approach aims to build trust and foster long-term relationships with consumers, rather than relying on manipulative tactics that may yield short-term gains but ultimately undermine consumer trust. This research aims to empirically examine the role of ethical marketing in preventing consumer manipulation. By investigating how ethical marketing practices influence consumer perceptions, behaviors, and trust, this study seeks to provide valuable insights into how businesses can implement ethical strategies to avoid manipulation and foster positive consumer relationships. The objective of the study was to explore consumer perception on ethical marketing and to investigate how the implementation of ethical marketing practices affects consumer trust. Empirical research was conducted in Chennai city with a sample size of 110 respondents. Collected data was analyzed using statistical tools such as percentage analysis, chi square test and Friedman rank test.

Key words: Ethical marketing, Consumer, Customers

INTRODUCTION

Ethical marketing is an approach to promoting products, services, or brands that aligns with values and morals, emphasizing honesty, transparency, and fairness in all promotional activities. It is not just a practice but a philosophy that aims to promote fairness, honesty, and responsibility throughout the marketing process. This approach is intended to build trust and foster long-term relationships with consumers, rather than relying on manipulative tactics that may lead to short-term gains but undermine consumer trust.

In today's competitive marketplace, ethical marketing practices have become increasingly crucial as companies navigate the fine line between effective persuasion and consumer manipulation as businesses strive to attract and retain customers, the need to address ethical considerations in marketing strategies has gained prominence. Consumer manipulation, which can manifest as deceptive advertising. False claims, or exploitative practices, poses significant ethical concerns. Manipulative marketing tactics not only harm consumers but can also damage a brand's reputation and lead to legal repercussions. ethical marketing seeks to ensure that marketing practices align with ethical standards and respect consumer autonomy, ultimately contributing to more responsible and sustainable business Practices.

DEFINITION:

“Ethical marketing is about doing what is right and moral in the marketing of goods and services.” – **PHILIP KOTLER**

ADVANTAGES OF ETHICAL MARKETING

1. Advantages for companies

- Improved image of brand
- Long term enterprise achievement
 - Sustainable growth
 - Mitigation of risk
- Enhanced Client Contentment
 - Transparent Communication
 - Fair pricing policy
- Bringing in and Keeping Talent
 - Excellent work place culture
 - Employee morale

2. Advantages for Customers

- Making well informed decision:
- Transparent information
- Fair treatment
- Impact on the environment and society
- Sustainable activities
- Social responsibilities
- Trust and Confidence:

DISADVANTAGES OF ETHICAL MARKETING

- Transparent supply network
- Diminished short term earnings:
- Lower pricing
- Less marketing tactics
- Complicated ethical environments:
- Cultural Differences
- Changing standards
- Increase costs:
 - Purchasing ethical and sustainable products may be more expensive than traditional solutions.
 - Adhering to fair labour standards and providing fair wages may raise manufacturing costs.

COMMON ETHICAL MARKETING PRACTICES

- Transparency
- Honesty in Advertising
- Social Responsibility
- Fair Pricing
- Respect for Consumer Privacy
- Fair Trade and Labor Practices
- Sustainable Practices.
- Inclusivity and Diversity
- Customer-Centric Approach
- Ethical Sourcing

SCOPE OF THE STUDY:

This study explores how consumer awareness of ethical marketing in Chennai, India, impacts values and preference by focusing on transparency, fair pricing, and privacy. It highlights the role of ethical practices in building trust and preventing manipulative tactics.

OBJECTIVES OF THE STUDY

- To explore consumer perception on ethical marketing.

- To assess the impact of ethical marketing on consumer buying decisions..
- To analyze consumer priorities on different aspects of ethical marketing.

METHODOLOGY:

- Research design: Empirical research
- Sampling technique: Simple random sampling
- Sample area: Chennai city
- Sample size: 220
- Qualitative data: Primary data- Interviews and a structured questionnaire
- Quantitative data: Secondary data (Books, Journals, websites etc.)
- Analytical tools – Percentage analysis, Friedman rank test, One- way ANOVA.

REVIEW OF LITERATURE:

1. Topic: Legal standards for misleading advertising in consumer protection as ethical marketing actions in panama

Author: Francisco Javier Campines Barria

Publication: Russian Law Journal 12 (1), 2024

Conducted a study on the misleading advertising is intended to manipulate the consumers perception in a way that does not reflect reality. The objectives of this article is to explain the different legal norms existing in Panama to deal with misleading advertising in consumer protection as ethical marketing actions in the sales process. The research is situated in a qualitative approach. It is of a documentary nature, of a descriptive type and level. The results highlight that Law No. 45 of October 31, 2007, which dictates rules or consumer protection and defence of competition.

2. Topic: Consumer environment stimulation: Are consumers aware of manipulation?

Author: Inggang Perwangsa Nuralam

Publication: Journal of Innovation in Business and Economics - 7 (01), 1-18, 2023

This research explores how consumer behavior reacts to environmental stimuli in both original and altered online environments. The study's objective is to modify or influence independent variables through an experimental design to derive new insights. The independent variable under investigation is the e-servicescape. A total of 85 participants from around the world were engaged to interact with the e-servicescape on the Spotify music platform. The environmental

stimuli of the e-servicescape included factors such as ambient conditions, spatial layout and functionality, signs, symbols, artifacts, financial security, and interactivity. A quasi-experimental approach was used, and the results showed that consumers displayed different behaviors, favoring a pleasant environment over a manipulated one. These findings suggest that creating a pleasant service environment is key for companies in enhancing consumer experience.

3. Topic: Manipulation into unsustainable consumer choices as exploitative abuse of dominance

Author: Beata Maihaniemi

Publication: Market and Competition Law Review 8(1), 2024

Carried out a research study on the intersection of sustainability and digital platforms, which is an increasingly important and complex area of study in which digital platforms can have both a positive and a negative influence. The interaction between sustainability and digital platforms is crucial at a time when the EU is promoting the twin transition in its economy, a process that entails focusing on both environmental sustainability and digitalization. Online users should have a chance to buy sustainable products and services through digital platforms. However, environmental issues are becoming more and more pressing, and users are more willing to, among others, compensate for their flight emissions, to buy organic food and to ensure the protection of endangered species.

4. Topic: Algorithmic manipulation

Author: Federico Galli

Publication: Algorithmic marketing and EU Law on unfair commercial practices, 209-259, 2022

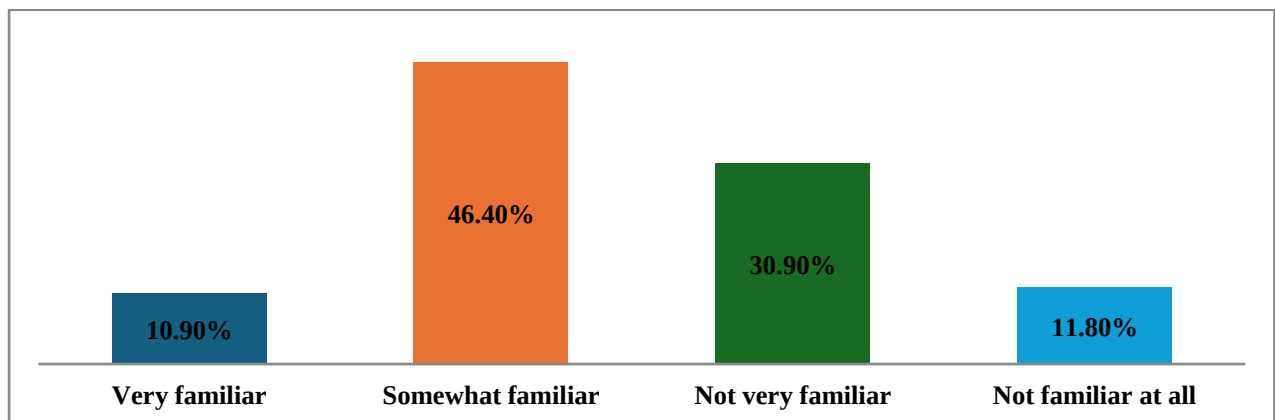
Examined how the rules governing commercial practices, which are supposed to prevent undue forms of manipulation of consumer choices. The regulation of manipulation stems from the value the EU places on the autonomy of consumers as market actors who must be able to make informed choices. For this reason, the UCPD puts much emphasis on information and preventing deception. The focus on other forms of manipulation based on undue influence and exploitation of vulnerabilities is more limited. Based on this framework, His research analyses where and to what extent the regulation of algorithmic manipulation can be legally framed. Different substantive standards of protection, such as undue influence, and digital aggression,

will be discussed and revised in the light of the empirical findings in the context of algorithmic marketing practices.

DATA ANALYSIS

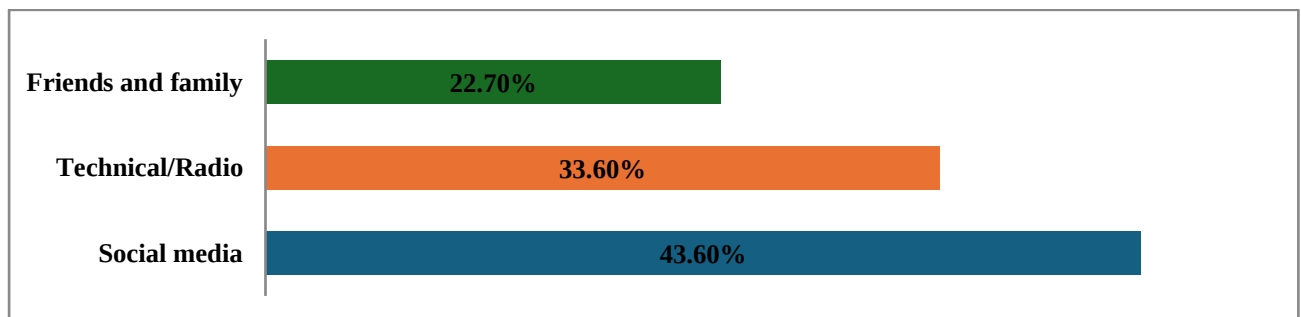
Demographic Variable	Majority	%
Gender	Female	61.85%
Age	18-27	58.20%
Educational Qualification	UG	61.80%
Family monthly income	15,001 – 30,000	32.70%
Residential status	Urban	70.90%
Occupation	Student	52.70%

FAMILIARITY ABOUT ETHICAL MARKETING



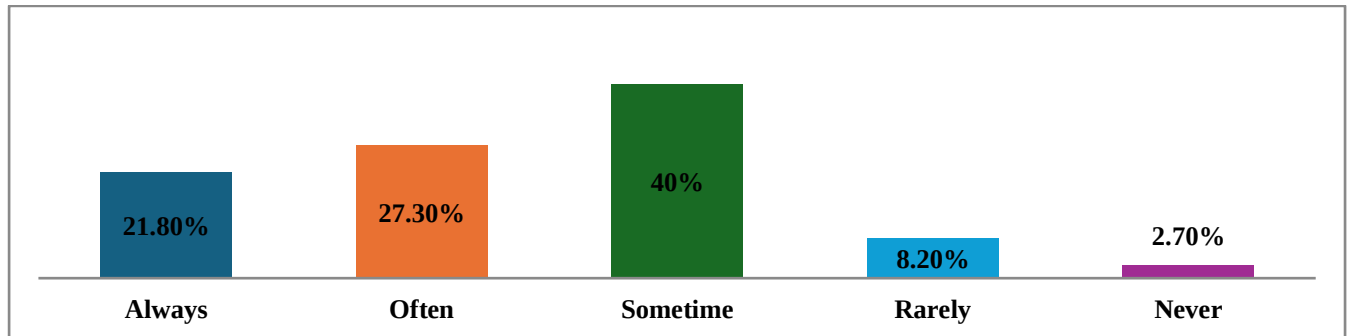
Inference: 46.4% of respondents are somewhat familiar about the concept of ethical marketing.

SOURCE OF INFORMATION



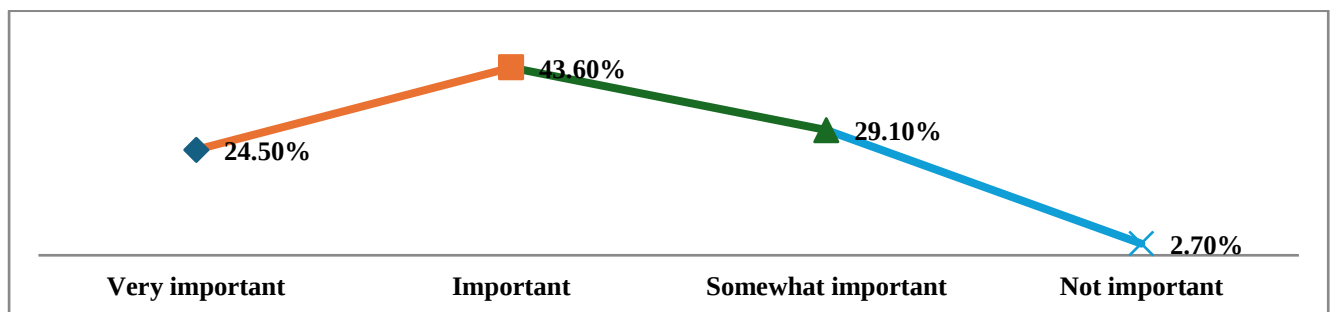
Inference: 43.6% of respondents became aware of ethical marketing through social media platforms.

PERCEPTIONS ON BUSINESS PRIORITIZATION OF ETHICAL MARKETING PRACTICES



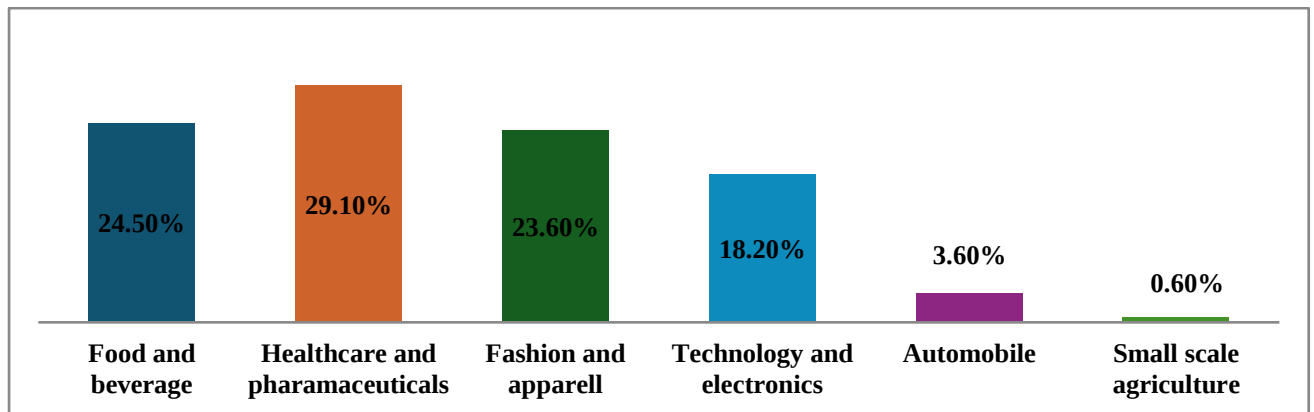
Inference: 27.3% of respondents believe that businesses frequently prioritize ethical practices in their marketing efforts.

CRITICALITY OF ETHICAL MARKETING: HOW IMPORTANT IS ADOPTION FOR COMPANIES



Inference: 43.6% of the respondents consider it as most important to adopt ethical marketing practices.

LEADING INDUSTRIES IN ETHICAL MARKETING: CONSUMER PERCEPTIONS BY SECTOR



Inference: 29.10% of the respondents state that healthcare and pharmaceuticals industry follows ethical marketing practices compared to other industries.

FRIEDMAN RANK TEST - CONSUMER PRIORITIZATION OF ETHICAL MARKETING ASPECTS

Ranks		
Consumer Prioritization of Ethical Marketing Aspects	Mean Rank	Rank
Transparency	1.65	1
Fair pricing	2.38	2
No deceptive advertising	3.27	3
Respect for consumer privacy	3.81	4
Environmentally friendly practices	4.55	5
Social responsibility	5.33	6

“Transparency” ranked highest highlight the ethical considerations that significantly influence consumer trust, loyalty, and purchasing decisions. Conversely, **the lower-ranked “social responsibility”**, though still important, may not carry as much weight in influencing consumer behavior.

ONE WAY ANOVA

H_0 : There is no significant variation between the demographic profile and the belief that ethical marketing practices affect their buying decision.

H₁ : There is a significant variation relationship between the demographic profile and the belief that ethical marketing practices affect their buying decision.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	.517	2	.259	1.087	0.341
	Within Groups	25.447	217	.238		
	Total	25.964	219			
Age	Between Groups	3.333	2	1.667	0.828	0.440
	Within Groups	215.440	217	2.013		
	Total	218.773	219			

Educational Qualification	Between Groups	2.717	2	1.358	1.577	0.211
	Within Groups	92.156	217	.861		
	Total	94.873	219			
Family income (in Rs)	Between Groups	1.233	2	.616	0.392	0.676
	Within Groups	168.122	217	1.571		
	Total	169.355	219			
Residential status	Between Groups	.681	2	.341	0.767	0.467
	Within Groups	47.510	217	.444		
	Total	48.191	219			
Occupation	Between Groups	12.259	2	6.129	2.140	0.123
	Within Groups	306.505	217	2.865		
	Total	318.764	219			

Inference: Since the asymptotic values are more than the table value **0.05**, **H₀ is accepted** and H₁ is rejected **for the other statements**. Hence, there is ***no significant variation between the demographic profile and the belief that ethical marketing practices affect their buying decision.***

SUGGESTIONS:

- Businesses and policymakers should work together to raise awareness about what constitutes ethical marketing.
- Companies should harness the power of these tools to communicate their ethical stance, engage consumers with their values, and build a stronger, more trusting brand presence in the digital space.
- To recommend businesses conduct periodic ethical audits to assess their marketing practices.
- Governments and regulatory bodies should support and incentivize businesses to adopt ethical marketing practices.
- Companies should integrate ethical marketing with their broader CSR initiatives.

CONCLUSION:

The study reveals the significant role that ethical marketing plays in safeguarding consumers from manipulative practices while enhancing trust and loyalty towards brands. The findings suggest that when businesses prioritize transparency, honesty, social responsibility, and consumer welfare in their marketing strategies, they create a protective barrier against tactics designed to deceive or manipulate consumer behaviour. Brands that uphold ethical standards not only differentiate themselves in a competitive market but also foster long-term relationships built on trust and shared values. In conclusion, ethical marketing serves as more than just a strategy for business differentiate - It is a fundamental approach to building trust, enhancing brand reputation, and protecting consumers from manipulation.

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- Beata Maihaniemi (2024), Manipulation into unsustainable consumer choices as exploitative abuse of dominance; *Market and Competition Law Review* 8(1), 2024
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- Inggang Perwangsa Nuralam (2023), Consumer environment stimulation: Are consumers aware of manipulation?; *Journal of Innovation in Business and Economics* - 7 (01), 1-18, 2023